**Per capita income in the States**

*163. SHRI YASHWANT SINHA: Will the Minister of PLANNING be pleased to state:

(a) whether the per capita income of some States had registered an increase during the last two years;

(b) if so, the details thereof;

(c) how does it compare with the national average; and

(d) whether Government propose to increase investments in those States which have lower per capita income?

THE MINISTER OF PLANNING AND THE MINISTER OF PROGRAMME IMPLEMENTATION (SHRI MADHAVSINH SOLANKI): (a) to (d) A Statement is laid on the Table of the House.

**Statement**

(a) to (c) A statement showing the per capita net State Domestic Product at constant (1970-71) prices for (1984-85 to 1986-87) and the percentage growth rate over previous year, is enclosed. (*See* Appendix CXLVIII, Annexure No. 64) It will be seen from the statement that the per capita income of a number of States had registered an increase during the latest two years for which the data are available, and quite a large number of States registered a growth rate higher than the national average.

(d) The central assistance is provided to the States on the basis of 'Modified Gadgil Formula' as approved by the National Development Council. According to the Formula, 20 per cent of the central assistance is distributed among those States whose per capita income is below National average. Such States also benefit from central assistance earmarked for special problems. Moreover, plans of special category States who have very meagre or no resources of their own are financed through central assistance. Thus the formula is heavily weighted in favour of the relatively poor States. The formula for the allocation of market borrowings was also revised sometime back to ensure higher allocation for States whose per capita income is below national average. Further, while making Statewise allocation of resources under the poverty alleviation programme, more emphasis is given to the incidence of poverty during the Seventh Plan as compared to that in the Sixth Plan. Also special incentives are provided in the form of investment subsidy and concessional finance for accelerating the industrial development of industrially backward regions.

SHRI YASHWANT SINHA: Mr. Chairman, Sir, I shall exercise my right to ask only one question but that question has a few parts.

MR. CHAIRMAN: Are you putting two supplementaries together?

SHRI YASHWANT SINHA: Now, Sir, part (a) of the question is the Minister aware that in the 15 year period between 1970-71 and 1985-86, the ratio of the highest to the lowest per capita income in the country has risen from 3.07 to 3.43 testifying to the widening disparities between the so-called more developed and the less developed parts or States of the country. This is part (a).

Part (b) of the question is: is the Minister aware that while in 1970-71 Bihar, the unfortunate State to which I have the distinction of belonging, was the second lowest State as far as the per-capita income is concerened—the lowest was Manipur—in 1985-86, and I say with a sense of shame and sorrow, we have the distinction of being the lowest as far per-capita income is concerned and that the the total per-capita income of Bihar which was 36 per cent lower than the average in 1970-71 has become 50.9 per cent lower in 1985-86 compared to the national average? This is part (b) of the question.

Part (c) of the question is that despite what the Minister has mentioned in answer to part (b) of my question the policy of the Government to raise

the level of development or the rate of development in the backward States has been woefully inadequate and a total failure and that there is complete lack of seriousness on the part of the Government in this regard. It is justified by the fact that the Seventh Plan document does not give any importance to the problems of regional disparities. In fact, the Prime Minister in the foreward to the Seventh Plan does not talk of this problem at all.

And the last part of the question is that if this be the state of affairs, then, what is going to be the approach of the Government during the Eighth Plan to increase the level of investment in the backward States so that the pace of development is hastened? Thank you.

SHRI MADHAVSINH SOLANKI: Sir, in part (d) of my reply it has been adequately made clear that according to the 'Modified Gadgil Formula' and other incentives and measures, special care has been taken in regard to those areas which have experienced low economic level and higher ratio below poverty line and where special assistance is necessary. According to this formula all sources of assistance are being provided to these States for their own development and there is no question of any lack of attention to the backward classes or the backward States.

MR. CHAIRMAN: Shrimati Jayanthi Natarajan.

SHRI YASHWANT SINHA: I asked my question in five parts. He has not answered any of the questions. Is this the way the proceedings of the House should be conducted? I spent more time in asking questions than he spent in replying.

**श्री राम अवधेश सिंह :** उन्होंने सवाल का जवाब नहीं दिया। बिल्कुल गोल-मटोल जवाब दिया।

**श्री सभापति :** सूत्र में दिया।

**श्री यशवंत सिन्हा :** यह कोई सूत्र है ?

**श्री सभापति :** विस्तार में बता दीजिए।

**श्री यशवंत सिंहा :** अगर वह सवाल नहीं समझे हैं तो मैं दुबारा सवाल करने को तैयार हूं। मैं रिपीट कर सकता हूं।

**श्री माधव सिंह सोलंकी :** सभापति महोदय, रिपीट करने की बात नहीं है। माननीय सदस्य ने यह पूछा है कि बिहार की पोजिशन 1970-71 में जो थी उसके बाद से आज तक पोजिशन मे कोई सुधार नहीं हुआ।

Also, it is awfully backward. The hon. Member said all these things. Now, we do not dispute the figures or that the position of Bihar is not happy. It is much backward. That the average income is much less in comparison to other States is not disputed.

SHRI YASHWANT SINHA: It is not in comparison with other States. It is in comparison with the national average. I am talking of the national average. I am talking of the increase in the regional disparity to which your policies are contributing.

SHRI MADHAVSINH SOLANKI: It is absolutely clear that the average income of Bihar is below the national average. It is an undisputed fact. There is no dispute about it.

SHRI YASHWANT SINHA : Is it also a fact that the gap is increasing every year? Is it a fact that we are going more and more below the national average and that the gap between the national average and the Bihar per capita average is also increasing? Do you admit this fact? If you do, what are you doing about it?

SHRI MADHAVSINH SOLANKI: There is no question of opinion. The figures speak for themselves. The real question is, my hon. friend made a comment that there is neglect of Bihar. That is not true. (*Interruptions*).

SHRI YASHWANT SINHA: That is also true. The point I made was very brief. I am talking not only of Bihar but of all the States which are below the national average in per capita income. If you want I can name them. My point is that the gap between the highest and the lowest on the one hand and the gap between the national average and the State average are increasing over the years. Now, what are you doing for this? You have referred to the Gadgil formula. You have also said in your reply that you are giving all sorts of assistance. But these 'all sorts of assistance' have not led to any result. My question is: What are you going to do to improve the position? Are you considering any amendment in the Gadgil Formula, even in the modified Gadgil Formula, in the remaining part of the Seventh Plan or in Eighth Plan?

SHRI MADHAVSINH SOLANKI: Sir, the Gadgil Formula itself is revised in view of the fact that some of the backward areas did not get adequate assistance. Originally, we started the Gadgil Formula in 1968-69. The percentage of assistance was ten per cent. It has been made now twenty per cent. And over and above that, there are several measures for alleviating poverty and to increase the economic development of every State which is backward. But that could not be done in a year. Special efforts have to be made over a period. My hon. friend wanted to know what the special thing that is going to be done about Bihar is. All the measures to increase the level of economy in Bihar are going to be taken.

SHRI RAM AWADHESH SINGH: Can you tell us what they are?

SHRI MADHAVSINH SOLANKI: There are various measures. They are enumerated in the reply also.

SHRIMATI JAYANTHI NATARAJAN: Sir, my question relates to Tamil Nadu. I want to place the particular fact before the Minister that as far as the total per capita income is concerned, Tamil Nadu ranks about the seventh on the all-India scale. As far as the rural per capita income is concerned, Sir, at Rs. 578/-, it is the lowest in the country, after 20 years of Dravidian Party rule and it is even less than Bihar. This is the lowest in the country and the rural and the urban per capita... (*Interruptions*)

SHRI PARVATHANENI UPENDRA: What about the Congress-ruled States? Bihar is not a Dravidian-ruled State. (*Interruptions*).

SHRI V. GOPALSAMY: She is preparing a speech for the 28th rally in Madras. (*Interruptions*).

MR. CHAIRMAN: Let her put the question please.

SHRI V. GOPALSAMY: She has made a reference to Dravidian parties. (*Interruptions*)

MR. CHAIRMAN: Please sit down. If she says something, this has been the normal habit this side, that side, both sides. A lady Member is speaking; please have patience; especially when we are having a Bill under discussion, can gentlemen disturb like this? Please sit down and don't interrupt.

SHRI V. GOPALSAMY: She has made a reference about Dravidian rule.

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## WELCOME TO EUROPEAN PARLIAMENTARY DELEGATION

MR. CHAIRMAN: Honourable Members, I have an announcement to make. We have with us this morning seated in the Special Box members of the European Parliamentary Delegation which is currently on a visit to our country under the distinguished leadership of Honourable Vincenzo Guimmarra, Chairman of the Delegation of the European Parliament for Relations with the countries of South

Asia. On behalf of the Members of the House and on my own behalf I take pleasure in extending a very hearty welcome to the Leader and other members of the delegation and wish our distinguished guests a very enjoyable and fruitful stay in our country. We hope that during their stay here they would be able to see and learn about our parliamentary system, our country and our people and their visit to this country though brief, will further strengthen the friendly bonds that exist between us. Through them we convey our greetings and best wishes to the members of the European Parliament and the friendly people of the member-countries.

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**ORAL ANSWERS TO QUESTIONS (Q. NO. 163)—CONTD.**

SHRIMATI JAYANTHI NATARAJAN: Mr. Chairman, my question is Central assistance to non-departmental undertakings... (*Interruption*) I have got facts and figures with me. If they do not have the facts, it is not my fault...

SHRI V. GOPALSAMY: There is no Dravidian rule in Orissa. There are starvation deaths in Orissa. She should speak about Orissa then.

SHRIMATI JAYANTHI NATARAJAN: I have got facts and figures with me, in front of me... (*Interruption*) I will not be browbeaten by this shouting. If you have got any figures, you can check up and contradict me...

SHRI V. GOPALSAMY: She should not ask irrelevant questions.

SHRIMATI JAYANTHI NATARAJAN: I have got facts and figures...

SHRI V. GOPALSAMY: Why are you putting irrelevant questions?

MR. CHAIRMAN: Please don't interrupt her. Let me decide; it is my right to decide whether her question arises out of the main question or not.

SHRIMATI JAYANTHI NATARAJAN: Central assistance to non-departmental undertakings has gone up in Tamil Nadu from 4.3 per cent to 5.1 per cent. In absolute terms the disbursal of assistance by all financial institutions has also gone up to Rs. 425 crores from Rs. 46 crores ... (*Interruption*) In spite of this though assistance from the Central Government and investment in Tamil Nadu has gone up, even then, the rural per capita is so low that Tamil Nadu is now one of the States which is the lowest among those under the poverty line. Has the Gadgil formula taken this into consideration? Have they considered the divide between the rural and urban per capita which is why the per capita in Tamil Nadu looks very deceptive. Rural per capita income is very important. Has the Gadgil formula been taken into consideration and will the honourable Minister look into the matter?

SHRI MADHAVSINH SOLANKI: Sir, as the figures make it very clear, in the year 1985-86, while the national average was Rs. 798/-, in Tamil Nadu, the income was much higher than that, that is, Rs. 801/- and, similarly, in 1986-87, while the national average was Rs. 812/-, in Tamil Nadu, it was Rs. 828/- and this is higher than the national average.

SHRI V. GOPALSAMY: What about the rural side?

SHRI MADHAVSINH SOLANKI: For Tamil Nadu, there are no details about the rural and urban areas. But, with regard to the poverty figures, as per the 1983-84 provisional figures, in the rural areas, people below the poverty line in Tamil Nadu formed 44.1 per cent, in the urban areas, they constituted 30.9 per cent. In Tamil Nadu, the

percentage of people below the poverty line was 39.6 while there are States where still the poverty is much higher than this, that is, 49 per cent in Bihar,.....

SHRI YASHWANT SINHA: Shame ...(*Interruptions*)...

SHRI MADHAVSINSH SOLANKI: ...45 per cent in U.P., and so on. So, Tamil Nadu is not necessarily the poorest State and, as my honourable friend has said, much investment has been made in Tamil Nadu and that is why the per capita income has risen above the level of national income.

SHRIMATI JAYANTHI NATARAJAN: Sir, the anti-poverty programmes were not being implemented by the Government in the State and that is why the rural divide has really increased. Is the Minister for Planning aware of how the IRDP money is being misused?... (*Interruptions*)...

MR. CHAIRMAN: Yes, Mr. Salve.

SHRI N. K. P. SALVE: Sir, the gist of the question, if I have been able to understand, is inadequate aid and assistance to those States whose per capita income is still very much below the national average. It is absolutely imperative and necessary that the backward States, the poorer States, must get a larger share of the transfers from the Centre to the States. One of the things to which I wanted to listen was the answer of the Minister of Planning to this question which has not come, and it is, if some States work hard and their per capita income rises... (*Interruptions*)...

**श्री राम अवधेश सिंह** : इसलिए नहीं होता है क्योंकि बेईमानी से होता है। बिहार के साथ बेईमानी होती है।

SHRI N. K. P. SALVE: Sir, I am very serious. Sir, this is a very serious question which I am asking of the Minister ... (*Interruptions*)...

इनको अक्ल हो तो समझ आए (**व्यवधान**) उनके बिहार की मदद के लिए मैं सवाल कर रहा हूं।

**श्री सभापति** : आदत से मजबूर हैं। बीच में बोलने की इनको आदत पड़ गई है। (**व्यवधान**)

**श्री सुरेन्द्रजीत सिंह अहलुवालिया** : इनकी सीट बदल दीजिए। सीट के नीचे स्प्रिंग लगा है। (**व्यवधान**)

**श्री राम अवधेश सिंह** : पूअर नहीं है हम धनी है लेकिन हमको पूअर बनाया जा रहा है (**व्यवधान**)

**श्री सभापति** : जब सवाल हो रहा हो तो इस तरह से बीच में इंटरप्ट नहीं करना चाहिये। आप तो बहुत पुराने हो गये है कम से कम।

SHRI N. K. P. SALVE: Sir, this is a very serious question which impinges on the question of aid and assistance to the poorer States... (*Interruption*)... Please understand this, Mr. Singh... (*Interruptions*)...

Sir, the question that I was seeking to ask of the planning Minister was whether, to ensure that those who make progress are not penalised and yet, the backward States are given adequate help, they are thinking of modifying the various formulas available to them for transfers from the Centre to the States.

SHRI MADHAVSINH SOLANKI: Sir, the formula for transfer to the States was originally framed as the Gadgil formula approved by the National Development Council and when it was realised that it required modification, it was again revised in 1980-81. According to this formula, within the total divisible pool of Central assistance, a lump sum is set apart for meeting the requirements of the special category States and the

balance amount of assistance is to be allocated according to this formula out of which 60 per cent is given according to population, 10 per cent according to per capita tax effort, 20 per cent for those States which are below the national average and 10 per cent for special problems. So, special problems are taken care of, their poverty position is also taken care of and their population size is also taken care of. As per the present situation, this formula is working well and if better suggestions are made, the Government would certainly consider them.

PROF. C. LAKSHMANNA: Mr. Chairman, Sir, some of the States, whose average is below the national level, have to be encouraged. Sir, of all the inputs in order to improve the per capita income, power is an important input. And, Sir, rightly the Government of India thought that we should impress upon the Soviet Union to have contribution to this To the extent of Rs. 5800 crores inputs will be there in different States. But, unfortunately, Sir, if you look at the projects that have been approved or are sought to be approved, they do not necessarily belong to those States which are below the national average. Specifically, the State of Andhra Pradesh is slightly below the national average. Out of Rs. 5800 crores sought to be used out of Soviet assistance for power generation inputs, not a single project has been identified from that State. Therefore, I would like to know from the Minister what type of steps will be taken to mitigate the type of imbalance that has crept up into the per capita income, especially in view of what I have mentioned.

SHRI MADHAVSINH SOLANKI: Sir, it is true that we have States where there is the problem of power deficiency. Power normally is a State subject. It is the State Electricity Boards which prepare plans and projects and organize inputs. But the National Thermal Power Corporation of India also provides power from its own sources. So, it would depend on the capacity of each State to organize new power generation plants and also the Central anxiety to provide power to such State from its own thermal power station or any other power stations which are available. It would be distributed as per the requirements and the capacity of the State also to fund for it.

PROF. C. LAKSHMANNA: I had asked a specific question. Out of Rs. 5800 crores sought to be invested from the Soviet assistance as input into power, how is it that States like Andhra Pradesh which are below the national average have not been included? I wanted a specific answer but he is not giving that.

MR. CHAIRMAN: He wants to know about Soviet assistance.

SHRI MADHAVSINH SOLANKI: I do not have details about Andhra Pradesh. But whatever power stations are in India in different States, power is distributed according to the requirement of the States. And there is a grid also which supplies power to different States. So if a specific notice is given about Andhra Pradesh, I can give details.

MR. CHAIRMAN: Mr. Sitaram Kesri.

SHRI N. K. P. SALVE: Sir, with your permission, I want to submit that this is a very important question. There should be a Short Duration Discussion on it. Would you consider giving a Short Duration discussion?

SOME HON. MEMBERS: Yes, yes.

MR. CHAIRMAN: Do you mean Half-an-Hour Discussion?

SHRI N. K. P. SALVE: Yes.

MR. CHAIRMAN: You write to me. I will consider it.

SHRI N. K. P. SALVE: Yes. Both the question and answer are on the periphery. We are not able to go into the depth of it.

ठाकुर जगतपाल सिंह : शार्ट डयूरेशन काहे के लिए मांग रहे हैं ?

**श्री सीताराम केसरी :** सभापति महोदय, यह प्रश्न करते हुए मुझे शर्म आ रही है क्योंकि मैं उस सूबे, बिहार, का रहने वाला हूं जहां कि इतनी निम्न स्तरीय आर्थिक विषमता और आय है। इस निम्न स्तरीय अवस्था का कारण राजनैतिक रहा है और इस आर्थिक विषमता के कारण हमारे यहां हिंसात्मक वातावरण भी बढ़ता रहा है, बढ़ रहा है, यद्यपि अब नियंत्रित होता जा रहा है फिर भी अगर आर्थिक विषमता में कमी आयेगी तो संभव है कि राजनैतिक परिस्थिति भी वहां की सुधरे और हिंसात्मक वातावरण में कमी हो। इसलिए मैं योजना मंत्री महोदय से यह जानना चाहूंगा कि बिहार की आर्थिक अवस्था को उच्च स्तरीय बनाने के लिए और आर्थिक विषमता को दूर करने के लिए क्या कोई नयी योजना आपके पास है या उसके बारे में सोचेंगे ?

**श्री माधव सिंह सोलंकी :** सभापति जी, बिहार की समस्या के अनेक पहलू हैं। लैंड रिफार्म्स एक बड़ा प्रश्न है, इंडस्ट्रियल डेवेलपमेंट भी बड़ा प्रश्न है, नेचुरल रेसोर्सेज का डेवेलपमेंट भी एक बड़ा प्रश्न है, सोशो. . . (**व्यवधान**) सोशो-इकनामिक प्राबलम्स भी बिहार में बड़ी तादाद में हैं। तो स्टेट गवर्नमेंट के सहकार से बिहार के सोशो-इकनामिक डेवेलपमेंट के लिए जरूर विचार किया जाएगा और बिहार गवर्नमेंट की तरफ से जो स्कीम्स और प्रोजैक्ट्स आयेंगे, हमारे वर्किंग ग्रुप्स जो एड्थ फाईव एयर प्लान बनाने के लिए हमने बनाये हैं, वह भी इसमें सोच विचार करके बिहार का डेवेलपमेंट, दोनों तरह से सोशो और एकनामिक्स बाजू में कैसे हो सके, इस पर जरूर विचार किया जाएगा। . . . (**व्यवधान**)

SHRI SUBRAMANIAN SWAMY: Sir, I would like to draw the attention of the hon. Minister to the figures he has given. He has given figures for 1984-85 and growth rate for 1983-84 down to 1986-87. Since the issue of Tamil Nadu has been raised and there are going to be elections very soon, I would like the facts to be corrected. I may not have the figures, but I do have the facts anyway. In Tamil Nadu, the growth rate in 1984-85 over 1983-84 has been 11.7 per cent. It dropped to 9.1 per cent and it further dropped to 3.4 per cent. According to 'Economic Times', it has dropped even further this year which is about to end next March. (*Interruptions*) Well, you don't read these papers. Congressmen generally don't read and that is the problem. What we find is that there was a decline in the rate of growth during the period when there was the Anna D.M.K. and Congress(I) alliance. I want to know what is the reason for this sharp decline in the growth rate in the *per capita* income as given in your own figures.

SHRI MADHAVSINH SOLANKI: I require notice for the details of each State.

SHRI SUBRAMANIAN SWAMY: You have given the figures. But you have not given the analysis. Do you come unprepared to Parliament? I need your protection. What is the use of my asking a question? Is he a *gumashta* or a statistician?

MR. CHAIRMAN: You have asked figures and per centages. He has given the per centage.

SHRI SUBRAMANIAN SWAMY: What does the question say? He should give some analysis.

MR. CHAIRMAN: Next question.

**Privatisation of the Taloja Unit of B.E.L.**

*164. SHRI RAOOF VALIULLAH:†

SHRI KAPIL VERMA:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Government are considering to hand over the Taloja unit of the Bharat Electronics Ltd. to a multi-national and a private company; if so, which are these companies and whether a proposal to set up a joint venture pro-

†The question was actually asked on the floor of the House by Shri Raoof Valiullah.